from some of the Small Scale industries associations for and against.

The investment limit for the small scale sector has been raised to set off the erosion in the value of rupee since 1991 and to enable the small scale units to meet the growing needs for technology upgradation so as to remain competitive. On dereservation issue, Government have decided to go in for dereservation in a phased manner as against the recommendation of the Committee for abolition of reservation entirely.

The Government have set up an Inter-Ministerial Committee to examine the various other recommendations of the Committee and to decide on the follow-up actions.

Hawala Racket in Syndicate Bank

634. SHRI RAMSAGAR: Will the Minister of FINANCE be pleased to state:

(a) whether attention of the Government has been drawn to the news-item captioned "Rs. 95 crores Hawala Racket is unearthed" appearing in the 'Times of India' dated December 20, 1996;

(b) if so, the details thereof;

(c) the action taken by the Government thereon; and

(d) how could the alleged 11 bogus forms be able to open fictitious bank accounts in Syndicate Bank when there are laid down guidelines for opening of bank accounts?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Yes, Sir. Inspection of Syndicate Bank, Surat revealed remittances of foreign exchange worth about Rs. 95.53 crores during 1991-1995 out of 11 accounts on the basis of fake import documents. Enforcement Directorate has taken up investigations in the matter.

(d) First current account was opened with the introduction by an existing account holder. The other accounts were opened with the introduction of one to the other. The accounts were opened prior to 1.1.1994 when the system of obtaining photograhs of the depositors was not there.

Extra Financial Assistance to States

635. PROF. JITENDRA NATH DAS: Will the Minister of FINANCE be pleased to state:

(a) whether the Government of West Bengal has demanded additional financial assistance from the Union Government for reconstruction/repair of damaged roads and bridges by floods in the State; and

(b) if so, the amount demanded by the State and the amount sanctioned by the Union Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) During last year (i.e. 1996-97). Govt. of West Bengal in their memoranda had requested for a sum of Rs. 26.30 crores out of National Fund for Calamity Relief (NFCR) for restoration and reconstruction of roads. Since the Calamity was not considered one of rare severity, no assistance out of NFCR was approved by the National Calamity Relief Committee (NCRC). However, based on the recommendation of NCRC the third and fourth quarterly instalments of Rs. 19.245 crores as Centre's Share of Calamity Relief Fund (CRF) due on 1st Oct., 96 and 1st Jan., 97 was released on 29.9.96 in advance to the State Govt. for meeting the expenditure on relief and rehabilitation.

High Powered Commission on Laws

636. SHRI CHITTA BASU:

SHRI G.A. CHARAN REDDY:

SHRI R. SAMBASIVA RAO:

Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Government have set up a High Powered Commission for reviewing and reforming antiquated laws, regulations and rules;

(b) if so, the composition of the Commission and the terms of reference thereof; and

(c) the time by which final report of the Commission is likely to be submitted?

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP): (a) Not yet. The Government has decided to set to set up a Commission.

(b) The Commission may consist of one Chairman, two fulltime Members and one Members Secretary.

(c) Time limit will be specified at the time of Constitution of the Commission.

Merger of MMTC and STC

637. SHRI ANNASAHIB M.K. PATIL: Will the Minister of COMMERCE be pleased to state:

(a) whether there is any proposal under consideration of the Government for merger of Minerals and Metals Trading Corporation Ltd. and State Trading Corporation;

(b) if so, the details thereof and its present status;

(c) by when it is likely to be done; and

(d) the steps taken for filling up Board level vacancies in STC/MMTC?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) No, Sir.

(b) and (c) Do not arise.

(d) Necessary action to fill up Board level vacancies in STC/MMTC has already been initiated in consultation with Public Enterprises Selection Board (PESB)/Deptt. of personnel & Training.

[Translation]

India's Trade and Investment in Peru

638. PROF. OMPAL SINGH 'NIDAR': Will the Minister of COMMERCE be pleased to state:

(a) whether the Indian industrialists have been invited to increase investment and trade in Peru;

(b) if so, the details of the terms and conditions thereof; and

(c) the reaction of the Government thereto?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) Yes, Sir. The President of Peru accompanied by a large delegation visited India in May 1997 and addressed gatherings of businessmen at New Delhi and Mumbai and invited the Indian entrepreneurs to visit Peru to explore the opportunities to enhance trade and investment between India and Peru.

(b) No specific proposals or terms and conditions have been discussed. However, during the visit of the President of Peru, an agreement was signed between the Federation of Indian Chambers of Commerce & Industry (FICCI) and Associated Chambers of Commerce and Industry (ASSOCHAM) on the Indian side and the Confederation of Private Enterprises (CONFIEP) on the Peruvian side for establishing a Joint Business Council. The main objective of this agreement is to carry out more systematically business promotional activities in trade, investment, technology transfer, services and other industrial sectors between the business communities of the two countries.

(c) Government welcomes the possibility of expanding trade and investment between India and Peru.

[English]

Prices of Cotton

639. SHRI N. DENNIS:

SHRI R. SAMBASIVA RAO:

SHRI SAMIK LAHIRI:

Will the Minister of TEXTILES be pleased to state:

(a) the per capita availability of cotton after the amount of raw cotton and garments exported during the Eighth Plan period;

(b) whether the Government are aware of the problems being faced by the cotton mill owners due to shortage of good quality cotton and the rising prices of raw cotton; and

(c) if so, the steps taken by the Government to provide good quality of cotton for the indigenous textile industry and to check the prices of raw cotton?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) The per capital availability of cotton during the terminal year of the VIII Plan, viz; 1996-97, after deducting raw cotton exported and cotton exported in the form of ready made garments, has provisionally been estimated to be 3.06 Kg.

(b) and (c) There has been sufficient availability of cotton in general, including quality cotton, in the country for the Textile Mill Industry in the cotton season 1995-96 and 1996-97. However, since the cotton season is now coming to an and, quality cotton has now become somewhat scarce.

During the cotton year, the prices of cotton in 1996-97 have generally been lower as compared to the prices during the last two cotton seasons. The import of cotton is under O.G.L. with nil import duty, with a view to enabling the textile industry to meet its requirements through imports if it so desires. However, the actual imports have been only around 0.5 lakh bales in 1995-96.

List of Loan Defaulters

640. SHRI SONTOSH MOHAN DEV: Will the Minister of FINANCE be pleased to state:

(a) whether the nationalised banks have urged to prepare a list of loan defaulters in their Banks;

(b) the total number of such defaulters in each banks and the total amount of loan involved; and

(c) the steps Government propose to take to recover such loan amount which has been outstanding for more than several years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Reserve Bank of India (RBI) publishes as on March each year a list of borrowers with outstanding of Rs. 1 crore and above against whom suits have been filed by banks. Copies of such publication are made available to the Parliament Library. The details of bad debts written off by public sector banks during the last two years i.e. 1994-95 and 1995-96 are given in the attached Statement.

(c) The following steps have been taken by RBI with a view to reduce NPAs in public sector banks:

1. RBI has advised banks to have documents of loan recovery policy prepared and duly vetted by Board of Directors. The policy prescribes the manner of recovery of dues, targetted level of reduction, norms for permitted sacrifices/waiver etc.